
COARSE GRAINS: WORLD MARKETS AND TRADE

MONTHLY HIGHLIGHTS:

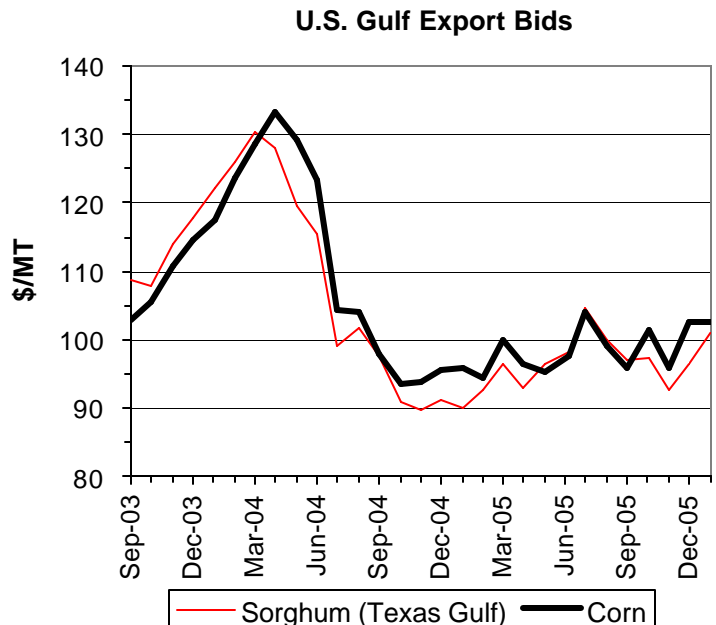
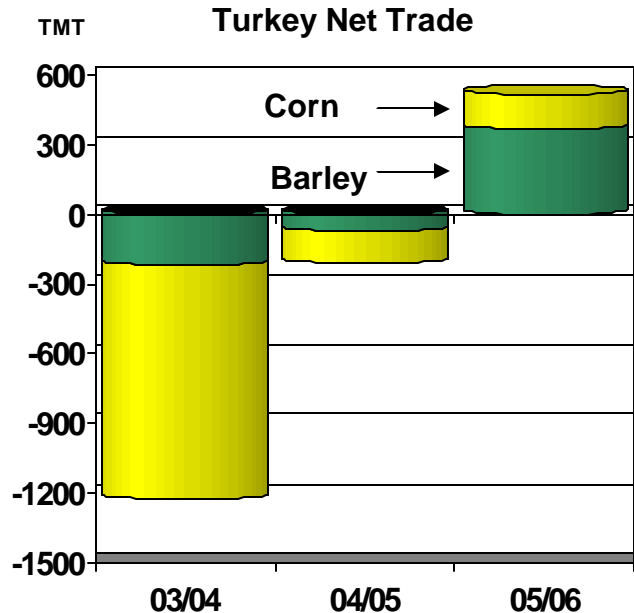
Turkey Becomes Net Coarse Grain Exporter: With record corn production, Turkey has become a substantial net corn exporter for the first time in history. Exports are estimated to reach 250,000 tons, with sales already reported to Israel and Syria. Greater exportable supplies are available because of the large crop and lower consumption by the poultry sector, which has since October 2005 been impacted by the Avian Influenza outbreak.

Turkey has also returned as a net barley exporter for the first time in 3 years. With greater supplies, sales to Syria, Morocco, and Saudi Arabia have surged.

PRICES:

Domestic: January export bids for #2 yellow corn were unchanged at \$103/MT but bids for #2 yellow sorghum (Texas Gulf) were up sharply by \$5 to \$101/MT.

There was upward pressure on corn prices because of concerns over weather in South America and a pick-up in export activity. However, this increase was offset by large supplies and strong farmer selling into rallies. Sorghum prices have likely been undergirded by strong sales to Mexico and food aid shipments.



TRADE CHANGES IN 2005/2006

Selected Exporters

- **Argentina corn** is slashed by 1.5 million tons to 11.0 million because of reduced production and stronger domestic feeding.
- **Croatia corn** is raised by 190,000 tons to 200,000 as a result of record production. Imports are cut by 150,000 tons to 50,000.
- **Serbia and Montenegro corn** is doubled to 1.0 million tons--a record--in light of strong sales to EU-25 and a record crop.
- **Turkey barley** is increased 150,000 tons to 350,000 based on strong export and sales data.

Selected Importers

- **China corn** is cut in half to 100,000 tons based on a lack of significant import activity.
- **Colombia corn** is raised by 200,000 tons to a record 2.4 million based on strong purchases of U.S. corn.
- **Egypt corn** is cut by 500,000 tons to 4.8 million amid indications of slack demand in the poultry industry.
- **Indonesia corn** is cut by 100,000 tons to 500,000 because of slow purchases from Argentina and Thailand.
- **Russia corn** is up 100,000 tons to 300,000 as a result of improved feed demand.
- **Tunisia barley** is increased 100,000 tons to 300,000 on strong purchases; corn is cut by 200,000 tons to 500,000, the lowest in 8 years, amid slow purchases of U.S. corn.